FBIS DAILY REPORT CONTENTS

Latin America

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INTER-AMERICAN AFFAIRS

Paraguay, Brazil Exchange Notes on Itaipu Decision [HOY 31 Oct] A 1
Argentine Communique Answers Itaipu Turbine Decision A 1

ARGENTINA

Government Document Reports Chile 'Ready for War' B 1
Etcheverry Returning to Santiago; Deadline Firm B 1
Iambruschini: 'New Developments' Possible in Beagle Talks B 2
Government Position on Beagle Conflict Explained to PRC B 2
HERALD Welcomes Better Relations With PRC [28 Oct] B 3
Castro Madero Ties A-Bomb Production to Outside Threat B 4
New Soviet Ambassador Presents Credentials B 4
Former President Ongania Opposes Constitutional Change B 4
IHRC Visit To Be 'Without Restrictions,' Says CLARIN B 5
Detained Lawyer Moved From Cordoba to La Plata [HERALD 31 Oct] B 6

BOLIVIA

Change to Largely Military Cabinet Forecast C 1
Housing Minister Resigns To Reorganize FSB C 1
Industry Minister Named Ambassador to OAS C 1
Banzer Condemns Abortive Subversive Plot C 2
MNRI Leader Denies FUDP Participation in Plot C 2
Labor Minister 'Surprised' by Detentions C 3
Talks on Elections To Continue Despite Coup Attempt C 3
PSD Calls for Renegotiation of Gas Sale to Brazil C 4
MIR Protests Plan for Lao Immigration to Santa Cruz C 4

BRAZIL

O ESTADO Weighs Issues in U.S.-Soviet Arms Talks [O ESTADO DE SAO PAULO 26 Oct] D 1
JORNAL Faults U.S., Soviets for Conventional Arms Sales [JORNAL DO BRASIL 30 Oct] D 2
More on Conventional Arms [JORNAL DO BRASIL 27 Oct] D 2
MDB's Braga Opposes Limits on Building A-Bomb D 3
Technical Meeting With FRG Opens in Brasilia [O ESTADO DE SAO PAULO 27 Oct] D 3
PRC Steel Mission Visits Sao Paulo, Other Firms [O GLOBO 27 Oct] D 4
Details Given on Trade Pacts With East Europe [O ESTADO DE SAO PAULO 29 Oct] D 5
Bishops Express Opposition to Security Law D 6
Labor Minister: Country Not Gripped by Social Tension D 7
Court Says State Responsible for Newsman's Death D 7
MDB Senator Leads Rio Demonstration; 10 Injured D 8
Further Opinion Polls on Election Banned D 8
Government, Private Press Agencies Supported D 8
Briefs: Metallurgical Workers Strike Continues; Cost of Living Demonstration D 8

CHILE

Charges by Argentina of Territorial Violations Rejected E 1
Argentine Negotiator Returns After Consultations E 1
Naval Squadron Moving South on Regular Exercises E 2
Labor Minister Outlines Union Election Rules E 2
Briefs: CAP Receives Large Loan E 4

COLOMBIA

Minister Praises Magistrates for Ruling on Security Statute F 1
Senate Chairman Wants More U.S. Funds for Drug Control F 1
Leftwing Liberals Attack Turbay, Lopez Administrations F 1

ECUADOR

CFP Candidates Leave for International Tour G 1
Briefs: Agreement With Denmark; Increase in Exports G 1

PERU

Students Stage New Disturbances as Classes Resume J 1
Foreign Minister Satisfied With Nuclear Agreement J 1

PANAMA

CRITICA Views Disagreement on Canal Treaty Implementation [27 Oct] N 1

CENTRAL AMERICA

COSTA RICA

Foreign Minister Denies Involvement in Sandinist Raids P 1
Six National Liberation Front Members Deported to Panama P 1
National Progress Party Registers for Next Election P 1

EL SALVADOR

Police, Leftists Clash Near University of El Salvador P 1
President Returns From U.S. Visit 30 October P 2
Briefs: Coffee Production Estimate; New Israeli Ambassador P 2

HONDURAS

Government Welcomes Nicaraguan Investment Capital P 2
Briefs: Drug Traffic Control; Ambassador to U.S. P 3

NICARAGUA

National Guard Reports Mercenary Raid From Costa Rica P 3
Costa Rican Government Complicity Charged P 3
'Atmosphere of Concern' Hints of Violence P 4
Communists Accused of Spreading Rumors P 5
Quintana Surprised at Group of 12's Asylum Request P 5
Vesco To Be Held for U.S. Extradition in Event of Arrival P 5
Budget Director Comments on Budget for 1979 [LA PRENSA 26 Oct] P 6

CUBA

Leading Rice Harvest Districts Reported	Q 1
USSR Chemical Industry Minister Tours Camaguey Facility	Q 1
Levi Farah Receives Iraqi Construction Delegation	Q 1
Eugenics, Artificial Insemination Seminar Begins	Q 1
Cienfuegos Military Vocational School Opened	Q 2
Malmierca Peoli Meets Counterpart in Paris	Q 2
Education Agreement Signed With GDR	Q 2
Central Committee Member Meets With Belgian Socialist	Q 2
Briefs: TV Announcer in Prague	Q 2

OTHER COUNTRIES

BARBADOS

Increase in National Debt Reported by Central Bank [ADVOCATE-NEWS 27 Oct]	V 1

GUYANA

Prime Minister Seeks IMF Aid To Solve Economic Crisis	V 1

PARAGUAY, BRAZIL EXCHANGE NOTES ON ITAIPU DECISION

PY311202Y Asuncion HOY in Spanish 31 Oct 78 p 11 PY

[Text of note sent by Paraguayan Foreign Minister Alberto Nogues to his Brazilian counterpart Antonio Azeredo da Silveira on 30 October--a similar note was received by the Paraguayan Foreign Ministry from its Brazilian counterpart on the same date]

[Text] Mr Minister, with reference to Annex B of the Itaipu Treaty, amended by the exchange of notes on 22 April 1975, I am pleased to report to Your Excellency that the position of the Paraguayan Government toward the number of generators for the Itaipu hydroelectric dam is the following:

A. The Itaipu hydroelectric dam will have 18 generators of 700 mw each.

B. Taking advantage of the space available in the engine room of the hydroelectric dam, Itaipu binational can have up to two reserve generators to replace any of the units mentioned in the above Paragraph A while they are out of operation for technical reasons.

C. The units referred to in Paragraph B will not operate simultaneously with those mentioned in Paragraph A.

D. The maximum volume of water expelled after the 18 generators mentioned in Paragraph A begin operating will be 12,600 cubic meters per second.

E. The units referred to in Paragraph B will not be considered as "installed power" for the purposes of contracting power [contratacion de potencia] provided for in Article 13 of the Itaipu Treaty and in notes exchanged on 26 April 1973 concerning the matter.

ARGENTINE COMMUNIQUE ANSWERS ITAIPU TURBINE DECISION

PY010001Y Buenos Aires TELAM in Spanish 2325 GMT 31 Oct 78 PY

[Official communique issued by the Argentine Foreign Ministry in Buenos Aires on 31 October]

[Text] The Argentine Government was officially notified yesterday of the decision made by the governments of Brazil and Paraguay to the effect that the Itaipu dam could have up to 2 reserve generating units, in addition to the total of 18 turbines which were originally planned.

This decision has introduced an element which will substantially change the framework of the negotiations on the Corpus and Itaipu hydroelectric projects and the effects of these projects on the behavior of the Parana River downstream. Therefore, Argentina will also have to change the guidelines on which its position during the tripartite talks was based.

In this regard, the Argentine officials are making a thorough study of the new situation which is related with the very nature of the Corpus dam and which creates additional problems for the negotiations.

The basic purpose of the tripartite negotiations is to equitably reconcile the legitimate interests of the three parties. Since a change was introduced in one of the central issues of the proposed agreement, the Argentine Government will have to review its position in the negotiations to reestablish an adequate equilibrium between Corpus and Itaipu.

GOVERNMENT DOCUMENT REPORTS CHILE 'READY FOR WAR'

PY311851Y Porto Alegre Radio Gaucha in Portuguese 1545 GMT 31 Oct 78 PY

[Excerpt] Chile is ready to wage war on Agentina, according to an official Argentine Government document reviewing the Chilean military preparations and violations of Argentine territory and airspace. All Chilean armored units have been deployed to the disputed area, 1,700 civilians were recruited to receive military training in border regiments, and all military units are undergoing general training.

The document was released in recent hours and the military committee headed by General Videla will meet today to discuss the Beagle Channel conflict.

ETCHEVERRY RETURNING TO SANTIAGO; DEADLINE FIRM

PY010231Y Buenos Aires NOTICIAS ARGENTINAS in Spanish 2150 GMT 31 Oct 78 PY

[Excerpts] Buenos Aires, 31 Oct (NA)--Brig Gen (ret) Ricardo Etcheverry Voneo, head of the Argentine delegation to mixed commission No 2 which is discussing the border dispute with Chile, returned to Santiago 50 minutes after the conclusion of a military committee meeting in which he participated. The military committee "calmly analyzed the new aspects and consequently proceeded to issue new instructions regarding the matter."

Just before leaving for Santiago, Etcheverry made some further remarks and, during the dialog with reporters, he was asked about "the scope which you assign to the 'unfavorable changes for Argentina' which emerged during the course of the negotiations."

He answered: "I assign to them all the scope that the word 'unfavorable' implies; in other words, within the context of a series of points upon which we had almost reached an agreement." Etcheverry said: "On the other hand, it is logical that during the course of a negotiation there are peaks which can be favorable or unfavorable. At this time a situation has emerged due to a modification in the Chilean delegation's position which has caused a revision of some aspects concerning the negotiations."

He was later asked whether "this disagreement will ruin the negotiations." And he replied: "It is my belief that they cannot be ruined. In this case, there are two wills: Our will is to provide the methods, the form and the ideas so that they are not ruined. But another will is at play: In other words, it depends to an extent on how our position is received."

Asked whether this situation "could be the origin of an extension of the talks," Etcheverry emphatically rejected this possibility. He said: "No. Not at all. This stage concludes on 2 November at 2400."

He was then asked about "the military committee's reaction" after having listened to his report during today's meeting. Etcheverry answered: "The reaction was always a professional one; in other words, to analyze the new aspects with the utmost calm and consequently proceed to issue instructions regarding the matter."

Asked whether the resignation of Foreign Minister Vice Adm Oscar Antonio Montes had had any repercussions regarding the negotiations, Etcheverry answered: "No, absolutely not." And he added that one must recall that the negotiating commission is "responsible to the president and, therefore, there have been no repercussions."

Etcheverry emphasized that "what has been carried out so far balances out favorably. It has permitted Argentina and, of course, Chile to fully explain their positions, and in view of this we have come close to a series of points of agreement which up to the present time have allowed us to expect a successful solution.

Finally, he said: "Now all of this is set within the framework of the possibilities which will emerge beginning with the meetings that I will hold tomorrow."

LAMBRUSCHINI: 'NEW DEVELOPMENTS' POSSIBLE IN BEAGLE TALKS

PY311230Y Buenos Aires TELAM in Spanish 0205 GMT 31 Oct 78 PY

[Text] Bahia Blanca, 30 Oct (TELAM)--Navy Commander in Chief Adm Armando Lambruschini stated here today that his branch is working to make the process of national reorganization more dynamic and to prevent its failure. He emphasized that the military junta does not hinder the actions of the president of the nation.

In a press conference held tonight at Puerto Belgrano navy base, Admiral Lambruschini also discussed the border issue with Chile, stressing that there might be some new developments when the second mixed commission ends its talks on 2 November.

Asked whether the talks could continue beyond 2 November, Lambruschini answered that as of 2 November everything will be up to the two governments.

Concerning the results of the negotiations of the mixed commission, the commander in chief of the navy indicated that some items had been agreed upon, but that agreement has not yet been reached on other items.

He emphasized: "Our country will not accept any further arbitration to solve the border conflict in the southernmost area of the continent."

With regard to recent statements by the governor of Misiones Province, Lambruschini stated that he had asked Captain Poletti to meet him at navy headquarters tomorrow afternoon. "I have asked him to bring along the official text of his statement," he said.

Asked about the future activities of Vice Adm Oscar Antonio Montes, who submitted his resignation as minister of foreign relations and worship last Friday, Lambruschini said that he will be assigned to the office of the navy commander in chief.

Admiral Lambruschini concluded by stating that the two Corvettes purchased in France will arrive in Puerto Belgrano in mid-November. He indicated that both vessels are armed with missiles.

GOVERNMENT POSITION ON BEAGLE CONFLICT EXPLAINED TO PRC

PY311720Y Buenos Aires TELAM in Spanish 1610 GMT 31 Oct 78 PY

[Text] Peking, 31 Oct (TELAM)--It was learned here today from Argentine diplomatic sources that Argentina has submitted to PRC authorities an extensive memorandum on its conflict with Chile.

The same sources reported that the objective of this memorandum is only to inform PRC officials of the Argentine position and not to force the PRC to take a position on the issue.

HERALD WELCOMES BETTER RELATIONS WITH PRC

PY3019O1Y Buenos Aires HERALD in English 28 Oct 78 p 8 PY

[Editorial: "China's Smile"]

[Text] After hears of self-absorbed introspection, the Chinese Communist Government has suddenly started looking beyond the national frontiers once again in search of friends, trading partners, and sources of the technology it badly needed. Now that the dogmas of Maoism have been dropped, the pragmatists in charge seem prepared to do what is necessary to modernize the country and make it a genuine world power, not just an honorary world power accepted as such on the strength of its size and potential, but not its actual achievements. The most spectacular result of the new policies has been the far-reaching agreement with Japan, although the willingness of Western European countries and the United States to deal with China on friendly terms ensures that no one country will be supplying the Chinese with all they get from the West. But as well as strengthening its ties with the advanced Western countries, China is also making a vigorous effort to improve its relations with Latin America.

Throughout this year, a succession of Latin American officials have been visiting China, and all have been very well received. The most concrete result of this so far has been the agreement made by Dr Martinez de Hoz during his visit in May to sell the Chinese 1,000,000 tons of wheat a year in 1979, 1980 and 1981. If the delivery dates are met satisfactorily, this could be the forerunner of very much bigger deals to come.

The Chinese have, fortunately for everyone, apparently given up their dreams of exporting their own very eccentric variety of communism to the rest of the world. The days in which Chinese calls for instant revolution everywhere, were fiercer than those of any other country, seem to have ended. This makes the attraction of improving realtions with China very much greater than would have otherwise been the case. In all wide-ranging trade agreements with the Soviet Union, for example, the economic benefits must be set against the security dangers. For the time being at any rate, there do not seem to be any disadvantages of this kind in dealing with China, which is making noninterference in other countries's internal affairs one of the main features of its foreign policy.

This has definitely increased the chances of a mutually beneficial improvement in relations--trade, cultural, technological and sporting--between China and the nations of Latin America, even though it is a result of China's utter indifference to what Latin Americans do to each other and not any special regard for national sovereignty. Were it not for China's blindness to foreigners' ideology, however, the prospects for improving links with Latin America as a whole would be tiny, because many of the countries are ruled by governments which are anti-communist above anything else. Despite this, Chile's Foreign Minister Hernan Cubillos received a very warm welcome during his recent visit, during which his Chinese counterpart, Huang Hua, went so far as to say that, as far as foreign policy is concerned, the two countries' interests were virtually identical. Few Latin American governments would completely agree with this, but most would accept that as China's most formidable enemy, the Soviet Union, is also the most formidable enemy of Latin American independence, some sort of working friendship makes sense.

CASTRO MADERO TIES A-BOMB PRODUCTION TO OUTSIDE THREAT

PY272004Y Buenos Aires NOTICIAS ARGENTINAS in Spanish 1905 GMT 27 Oct 78 PY

[Text] Santiago del Estero, 27 Oct (NA)--Rear Adm Carlos Castro Madero, president of the National Atomic Energy Commission [CNEA], said here today that the conditions which might cause a country to produce nuclear bombs "are of a geopolitical nature and occur when a nation faces a possible threat posed by another country which utilizes atomic energy for nonpeaceful purposes."

Castro made this statement in reply to questions by newsmen regarding the possibility that a country might be forced to produce nuclear bombs in the Latin American southern zone.

The CNEA president arrived here to give a lecture on both the CNEA's present and future plans and Argentine nuclear policy.

In a statement to the press, he noted that Argentina plans to build several nuclear plants for exclusively peaceful purposes to benefit medicine, industry, agriculture, and livestock, and has excluded their utilization for any other purpose.

He also reported that intensive work is being carried out to produce more electrical energy and radioisotopes through nuclear energy. He advocated the creation of a fourth level of specialization for technicians in atomic energy.

Regarding nuclear cooperation with Italy, he said that Italy is seeking a market for the purchase of uranium since it does not have an adequate quantity of uranium to be self-sufficient, but he made clear that there is no law in Argentina authorizing the sale of this strategic material.

NEW SOVIET AMBASSADOR PRESENTS CREDENTIALS

PY231724Y Buenos Aires TELAM in Spanish 1630 GMT 23 Oct 78 PY

[Excerpts] Buenos Aires, 23 Oct (TELAM)--Sergey Romanovich Striganov, the new USSR ambassador, presented his credentials to the president today at Government House.

Lt Gen Jorge Rafael Videla (ret) received the USSR diplomat, age 62, in the White Room, accompanied by Defense Minister and Interim Foreign Minister Air Force Maj Gen Jose Maria Klix (Ret).

Striganov, who graduated from the Higher Pedagogic Institute of Moscow, entered his country's foreign service in 1939.

Among other important posts, he was ambassador to Uruguay in 1964 for 2 years. His last post was adviser in the Foreign Ministry.

FORMER PRESIDENT ONGANIA OPPOSES CONSTITUTIONAL CHANGE

PY010026Y Buenos Aires NOTICIAS ARGENTINAS in Spanish 2021 GMT 31 Oct 78 PY

[Excerpts] Cordoba, 31 Oct (NA)--Former President Lt Gen (Ret) Juan Carlos Ongania indicated today that he is against any constitutional reform and maintained that "it is undeniable that our people have become fully aware that the Argentine political crisis is serious."

In his first public speech since he left the presidency 8 years ago, Ongania condemned "pacts between leaders" in order to unite or group political forces, "and especially shady deals made behind the back of the country's needs."

The former president, who governed between 1966 and 1970, made these remarks when speaking on "the new framework of politics" during a luncheon given by the Foundation for Social and Economic Action [Fundacion para la Accion Social y Economica--FASE] as one of a series of talks by outstanding personalities.

In his speech, Ongania indicated that "although bad governments and inept leaders have been singled out, as well as the deterioration of important sectors of national daily life, very few have gone further to seek the cause of this tremendous step backward."

He said: "Today we are again hopeful, trying to achieve our national reorganization."

Ongania continued: "We Argentines can never stand proud again unless we opt for a new political framework based on a radically different principle."

He said: "We must allow the people to fully support their ideas, based on real issues, and we must not oblige them to bet on options which seem more suited to organized gambling than to politics."

Speaking of other matters, the former president said that "the constitution must not be modified in any way in view of the transitory nature given it by Alberdi [Juan Bautista, Argentine legal expert and politician]. It fully adjusts to whatever historical stage is being experienced by the country--as proven by the simple acceptance of a de facto regime demanded by the undeniable absence of the National Congress."

He said: "Regarding everything else, the constitution is not an obstacle. On the contrary, we have in it the basis for supporting the change through which politics will play the role we desire."

He also stated that keeping the current constitution "would help avoid the violence which would erupt through the abuse caused by a weak political power attempting to modify it."

IHRC VISIT TO BE 'WITHOUT RESTRICTIONS,' SAYS CLARIN

PY2614444Y Buenos Aires NOTICIAS ARGENTINAS in Spanish 1335 GMT 26 Oct 78 PY

[Text] Buenos Aires, 26 Oct (NA)--According to a report published by the local daily CLARIN, the Inter-American Human Rights Commission [IHRC] has been invited to visit Argentina "without any restrictions" on its activities.

The morning daily stated today that the nature of the invitation, reasserted once more a few days ago by Argentine Foreign Minister Oscar Antonio Montes, was explained by "diplomatic sources."

The note [presumably the one sent to the OAS] does not establish "any approximate date" for the arrival of the OAS investigation team, whose mission will be to investigate the situation of the human rights in the country, according to the newspaper.

"The note merely advises that in view of the coming summer season, it would be appropriate and more effective to begin work in March next year," the report indicated.

The daily also reported that "the Foreign Ministry officials who are dealing with this sensitive subject are currently making a detailed study of the resolution which establishes the guidelines by which the members of the IHRC will have to abide."

The newspaper confirmed an advanced report published in earlier issues to the effect that the IHRC will operate in accordance with Article 11 of its charter and Article 50 of its regulations.

CLARIN indicated that in view of this, the IHRC will abide by the following regulations:

1. "The special commission or any of its members will be free to meet privately with persons, groups, organizations or institutions, and the government must provide the appropriate guarantees to all those who supply the IHRC with information, statements or evidence of whatever nature.

2. "The members of the special commission will be free to travel throughout Argentine territory, for which the government will provide them with official identity papers.

3. "The government is obliged to provide local transport facilities.

4. "The members of the special commission will have access to all prisons and other places of detention and interrogation and will be able to meet privately with arrested or imprisoned persons.

5. "The government will supply the special commission with any document or information related to the fulfillment of human rights which said commission may believe pertinent for the preparation of its report.

6. "The special commission will be free to use any appropriate means to gather, record or copy any pertinent information.

7. "The government will implement all security measures necessary for the protection of the special commission.

8. "The government will guarantee appropriate housing facilities for the members of the special commission."

DETAINED LAWYER MOVED FROM CORDOBA TO LA PLATA

PY312126Y Buenos Aires HERALD in English 31 Oct 78 p 11 PY

[Text] After being held for 40 days in the Cordoba penitentiary without being charged, leading journalist and lawyer Luis Renaudi was suddenly transferred and is now being held in La Plata jail. This was revealed yesterday by relatives of Renaudi, who was picked up along with a group of people, all members of the Communist Party, by hooded men in Cordoba last month. After an outcry the Third Army announced that Renaudi and six other people had been arrested in connection with unnamed activities which might undermine peace.

Apart from Renaudi, six of the group are still being held. Most of them were transferred to La Plata among 90 prisoners who were transferred from Cordoba penitentiary. Relatives of Renaudi are worried because although a month and a half has passed there is still no charge lodged against him and he has not been told why he has been detained The other people held were working on a list of disappeared people on Cordoba in connection with the League of the Right of Man, which is closely associated with the Communist Party.

CHANGE TO LARGELY MILITARY CABINET FORECAST

PY312253Y Paris AFP in Spanish 2049 GMT 31 Oct 78 PY

[Text] La Paz, 31 Oct (AFP)--The commander in chief of the armed forces, Gen Angel Salmon, indicated here today that the next Bolivian Cabinet will be mostly military.

Salmon said that the new cabinet--the date of the resignation of the current cabinet and the designation of new ministers was not given--will have a special mission on the 100th anniversary of the 1879 Pacific war between Chile and the Bolivian-Peruvian confederation. General Salmon indicated that the cabinet may include a few civilians.

The military chief added that President Juan Pereda will form the new military cabinet at the appropriate time, but press sources indicated that the change of cabinet will take place in the next few days.

Asked about military officers under arrest after the failure of the 29 October coup, Salmon confirmed that 10 to 12 are under arrest. He said: "First they have to be tried by military courts."

Interior Minister Faustino Rico Toro minimized the number of detainees around the country following the discovery of a plot to overthrow President Pereda. Rico Toro indicated that such reports do not help the internal and external image of a government which is seeking to establish a constitutional democracy in Bolivia.

Hugo Banzer, former president and current Bolivian ambassador to Argentina, condemned today in La Paz the political adventurers who are attempting to divide Bolivians and destabilize the government.

HOUSING MINISTER RESIGNS TO REORGANIZE FSB

PY312007Y Buenos Aires TELAM in Spanish 1950 GMT 31 Oct 78 PY

[Text] La Paz, 31 Oct (TELAM-DPA)--Gaston Moreira, Bolivian minister of housing and urban development and head of the rightwing faction of the Bolivian Socialist Falange (FSB), has presented his irrevocable resignation to the government of Gen Juan Pereda, unleashing a cabinet crisis which was predicted a few days ago.

Gaston Moreira himself confirmed his resignation at noon today in La Paz, noting that he presented it to General Pereda on 26 October.

While Moreira stated that his resignation--which was not yet accepted--was prompted by the need to reorganize his party, it is already being rumored that other ministers will also resign.

INDUSTRY MINISTER NAMED AMBASSADOR TO OAS

PY010258Y La Paz Radio Panamericana Network in Spanish 0000 GMT 1 Nov 78 PY

[Excerpt] During a conversation with newsmen, the foreign minister announced that Edwin Tapia Frontanilla, present industry and commerce minister, has been appointed Bolivian ambassador to the OAS. The date when he will leave for his new post will be announced in the near future.

BANZER CONDEMNS ABORTIVE SUBVERSIVE PLOT

PY312234Y La Paz Radio Panamericana Network in Spanish 1130 GMT 31 Oct 78 PY

[Text] Gen Hugo Banzer Suarez, former Bolivian president and present ambassador to Argentina, referred to a subversive plan detected by the government yesterday morning, strongly condemning the attitude of political circles which are attempting to create unrest in the country.

When asked about the subject, the former president said: If the government has discovered a subversive plot, I believe it because adventurers are not lacking. For my part, I condemn this sort of act.

When asked for his opinion regarding press reports published in Santa Cruz hinting that followers of General Banzer are involved in subversive activities, he said: I am aware of my responsibility, which is the fruit of my work and the confidence of the people. I do not lend myself to any kind of political adventure because 7 years in government have taught me a lot.

He then added: I do not agree with this kind of adventurous undertaking. At this time it is necessary to achieve unity among Bolivians, as I have maintained in a message to my people.

While condemning these attitudes, General Banzer deplored the fact that the events which are occurring only serve to blur the Bolivian image abroad, an image which required a lot of work to improve during the time of the armed forces government, he said.

He stressed: I repeat that I will never lend myself to adventures of this kind because I am conscious of my position which is the fruit of my work and the confidence of the people. The adventurers do not deserve to win, General Banzer emphasized.

MNRI LEADER DENIES FUDP PARTICIPATION IN PLOT

PY010157Y La Paz Radio Panamericana Network in Spanish 0000 GMT 1 Nov 78 PY

[Text] Abel Ayoroa Argandona, leader of the National Revolutionary Movement of the Left [MNRI] and member of the Democratic and Popular Unity Front [FUDP], has denied that this political group participated in the plot denounced by the interior minister.

He announced that all political prisoners were set free [as heard] after the usual investigation showed that they had not participated in the coup revealed early Sunday. He also stated it is not true that former President Hernan Siles Zuazo entered the country clandestinely since there is no reason why he should do so. The MNRI leader stated that Siles Zuazo is in Caracas.

He added that there is need for a majority consensus concerning the leadership of the country. This concept is part of the MNRI and FUDP position on constitutionalizing the country in a short time. He indicated that the FUDP's entire position regarding constitutionalization and the electoral process has been given in various communiques.

Concerning the present government headed by Gen Juan Pereda, Abel Ayoroa Argandona maintained that because it responds to the armed forces, it has announced the reorganization of its cabinet to include only military officers. Asked about the removal of civilians who have been cooperating with the government, he indicated that civilians have no support or representation.

LABOR MINISTER 'SURPRISED' BY DETENTIONS

PY310235Y La Paz Radio Panamericana Network in Spanish 0000 GMT 31 Oct 78 PY

[Text] The detention of union leaders was a surprise to Jorge Burgoa, labor and trade union affairs minister, since, according to him, the social situation in the country is normal and there is no unrest.

The labor minister also stated that the government will continue the system of broad freedom for union organizations and their leaders under the social policy it supports. Speaking of the social tranquillity in the country, the labor minister stated:

[Begin Burgoa recording] The situation is perfectly all right. Some issues were (?solved), some unimportant rumors. You will see that the (?boom)--if we may call it that--of strikes has decreased completely. [Words indistinct] that relations among workers, businessmen and the Labor Ministry could not be better. That is why this news you gave me surprises me a little. [end recording]

The minister also stated that his party, the Barrientist Union, will continue to support Gen Juan Pereda Asbun's government.

TALKS ON ELECTIONS TO CONTINUE DESPITE COUP ATTEMPT

PA312151Y Madrid EFE in Spanish 1915 GMT 31 Oct 78 PA

[By Jorge de Sendes]

[Text] La Paz, 31 Oct (EFE)--Former President Hugo Banzer on Tuesday denied that he participated in the subversive coup attempt in Bolivia on Sunday.

When the Interior Ministry announced that it had uncovered a seditious plan, many eyes turned to the former president, who had unexpectedly returned from Buenos Aires only 4 days after being named ambassador to Argentina.

Although the former president has made unfriendly statements about President Pereda, who overthrew him, Banzer said today that he had nothing to do with the abortive coup and, moreover, he condemned the attempt.

For its part, the government announced today that it will continue the talks with the political parties on an agreement concerning the date of the election and electoral procedures. The government met today to consider the political situation resulting from the recent events.

An official spokesman reiterated that the president remains determined to establish a constitutional regime and hold elections, although the date has not been disclosed.

On the other hand, the armed forces headquarters denied that military personnel were involved in the attempted coup. However, in reporting on the coup attempt the Interior Ministry stated that subversive elements had attempted to implicate certain officers.

Under the present circumstances, the attempted coup does not seem to represent any threat to General Pereda's government. Certain politicians are saying that, on the contrary, it will allow the government to use repressive methods to discourage similar attempts.

Following the uncovering of the alleged coup, five political leaders, described as the main proponents of the abortive attempt, were arrested. They are all members of the National Revolutionary Movement of the Left, which is headed by former President Siles Zuazo.

The report on the subversive attempt was made by the Interior Ministry the day after that party had charged that the government is delaying the electoral process.

Three union leaders who had been arrested in the city of Cochabamba were released. Today absolute calm prevails throughout the country.

PSD CALLS FOR RENEGOTIATION OF GAS SALE TO BRAZIL

FY310204Y La Paz Radio Panamericana Network in Spanish 0000 GMT 31 Oct 78 FY

[Text] The Social Democratic Party [PSD], which originally supported General Pereda's nomination for the presidency, believes that the letter of intent signed between Bolivia and Brazil for the sale of Bolivian gas must be renegotiated. It adds that the letter should not become a compulsory treaty between the two countries; that the surplus should be sold only after the needs of domestic consumption are met.

The PSD states that a gas pipeline must be built as a priority step to allow the industrial development of the main populated sections of the country, and it adds that contracts for the sale of hydrocarbons must provide for economic cooperation by countries whose industry is more developed than ours. It concludes: This would provide a contribution to the exploration and exploitation of hydrocarbons and to the establishment of an energy infrastructure, as was obtained by Paraguay.

MIR PROTESTS PLAN FOR LAO IMMIGRATION TO SANTA CRUZ

FY280153Y La Paz Radio Cruz del Sur Network in Spanish 2330 GMT 27 Oct 78 FY

[Text] A government project revealed this week concerns the immigration of 40,000 Lao now living in Thailand. They would settle on 5,000 hectares of land in Santa Cruz Department. The disclosure, based on official documents, was made today by the Movement of the Revolutionary Left [MIR], which indicates that the former secretary of immigration of the Interior Ministry, Guido Strauss, and the former under secretary of the Foreign Ministry, Marcelo Terceros Banzer, were responsible for the plan.

The MIR revealed that high-ranking officials of the previous and (?present) governments are involved. The MIR also protested that this plan was being worked out in secret. In protesting the plan, the MIR states that it is not opposed to implementation of an immigration policy in principle since it is aware of the great imbalance in Bolivia between the large land area and relatively low population.

What the MIR does oppose is the way circles in power implement policy without taking into account the nation's interests and their keeping secret the subordination to the interests of imperialism.

According to the MIR, the plan involves the payment of $1 million to each party by the [name indistinct] organization for each group of (?100) families. All the plan demands of the Bolivian Government is the granting of visas and 50 hectares of land for colonization by each (?group)--that is, a total of 5,000 hectares.

O ESTADO WEIGHS ISSUES IN U.S.-SOVIET ARMS TALKS

PY281445Y Sao Pauolo O ESTADO DE SAO PAULO in Portuguese 26 Oct 78 p 3 PY

[From the "Notes and Information" page: "The SALT Talks and the Balance of World Power"]

[Text] The recent Vance-Gromyko talks in Moscow aimed at reaching a second SALT accord--the first expired exactly 1 year ago--have been termed "constructive and useful" in stereotyped diplomatic language. This means that they led nowhere. While the statesmen seek to cut down the strategic superarms race, the advance of technology allows the production of new weapons with greater destructive power whose possession by a power of offensive and aggressive intentions will place the other, essentially defensive power, in an inferior position. This situation will affect the world power balance which, as usual, is the guarantor of peace.

In the midst of the Vance-Gromyko negotiations the world was informed by the prestigious magazine AVIATION WEEK AND SPACE TECHNOLOGY--a report later confirmed by the Pentagon--that the Russians have tested their capability of shooting down a missile of the U.S. Cruise type, which had been considered invulnerable up to now because it flies very low, under the view of radar, because its zigzag trajectory is impossible to plot, and because its precision is absolute. The Russian test was the launching of a missile from a high-flying MIG-25 against a rocket identical to the new Cruise missile, which was flying at an altitude of 60 meters. The target was hit and destroyed. The magazine's report, based on information supplied by the U.S. intelligence service, added that new installations, apparently designed to build the Backfire bomber, were built in Kazan, near the primary factory of this plane in the USSR.

For a correct interpretation of the strategic significance of this report it is necessary to recall that Carter--in trying to facilitate SALT II and in making new concessions--has already banned plans for the B-1 bomber which was to serve as the carrier of the Cruise missile to be replaced by the old B-52 bomber, which has no more capacity than a military version of the Boeing 747, and has agreed to reduce the number and range of the Cruise missile. However, this did not make the Russians agree to include their Backfire bombers (which, being refueled in flight, have intercontinental range and can take off from a European base, reach the United States and return) in the SALT accord. The problem becomes more serious especially because the Russians started to produce 140 Backfire bombers per year. To prevent the danger of a nuclear imbalance which would favor the Soviets by further increasing their capability of launching a first strike attack [given in English] and carrying out all sorts of politico-military diplomatic extortion, Carter opposes the idea of replacing the Minuteman-III missiles with the new mobile MX rocket. According to air force specialists, the MX would be the best response to the increased precision of USSR missiles which could be aimed at U.S. missile silos. U.S. military strategists believe that in the last half of 1978 it became obvious that the USSR had decided to threaten the U.S. force of intercontinental ballistic missiles stored in silos. This is so because there does not seem to be any other plausible explanation for the Soviet program to modernize its intercontinental ballistic missiles. Their fourth-generation missile (SS-16, SS-17, SS-18, and SS-19) are replacing the older types at the rate of 125-150 per year, while the fifth-generation missiles are getting close to the flight-test stage of development. In addition to this, Soviet strategic forces have surpassed their U.S. counterparts in both destructive power and payload capabilities of their MIRVs--reentry vehicle for multiple independently targeted nuclear warheads.

Taking all this background into account it is perfectly easy to understand Carter's new position toward the neutron bomb. Last April the U.S. President decided to postpone the mass production [fabricacao em serie] of the neutron bomb, tying this postponement to a similar response from the USSR, as proof of the U.S. "good will" at the beginning of the SALT negotiations. [paragraph continues]

As was to be expected, the Russians did not respond in kind to the U.S. good will, merely because in their opinion the fact that the United States had given up something which the Soviets cannot produce did not constitute a concession. This is why Carter has now ordered the production of 8-inch nuclear artillery shells and nuclear warheads for the Lance missile. These weapons might be installed in Europe and they are capable of being transformed into neutron devices which would eliminate the conventional superiority of the Warsaw Pact over NATO forces, thus reducing the possibility of a conventional war becoming almost automatically a nuclear war.

In any case, with the current balance being as extremely fragile as it is, no accord is preferable to an inadequate one.

JORNAL FAULTS U.S., SOVIETS FOR CONVENTIONAL ARMS SALES

PY310050Y Rio de Janeiro JORNAL DO BRASIL in Portuguese 30 Oct 78 p 10 PY

[Editorial: "Inadequate Measure"]

[Text] Representatives of the U.S. and Soviet governments will meet in Mexico early in December to study ways of limiting the transfer of conventional weapons to other countries. According to official statements, the talks will specifically center on implementation of these measures in relation to Latin America.

Apart from the praise and applause the Mexican initiative merits, it is proper to ask why the southern part of the American continent should be the subject of special attention from these delegations, since there can be no reason to fear any form of arms race in this area similar to those which have taken place in other strategic regions of the world.

Our perplexity markedly increased in view of the fact that the announcement of these talks was made simultaneously with reports that the endless U.S.-Soviet talks to reach an aggrement on the limitation of their own arsenals, the famous SALT II talks, were again deadlocked. Furthermore, one cannot forget that U.S. and Soviet supplies of conventional weapons contribute to maintaining and aggravating some of the conflicts which are afflicting mankind. Finally, it is proper to note that, thank God, there isn't the slightest possibility of an armed conflict in the southern part of the continent. Incidentally, the only event which could have disrupted our peace, and which may disrupt it again, was the Nicaraguan civil war--a mere internal struggle where any expert could easily find the heavy damage caused by Soviet and U.S. conventional weapons.

There are many ways of limiting arms purchases but, for the good of all, they must be widely implemented as soon as possible. Arms producers, however, have the most practical and effective way: If they do not want other countries to purchase arms, they should start by not selling arms or by discouraging their purchase.

Rather than through pressure and counterpressure, disarmament should be achieved on a deep-seated, unbiased basis: through an inner disarmament of the spirit and the soul. We continue to expect examples of this kind of disarmament from those governments whose defense budgets are steadily increasing.

More on Conventional Arms

PY280233Y Rio de Janeiro JORNAL DO BRASIL in Portuguese 27 Oct 78 p 12 PY

[Text] Brasilia--The U.S.-Soviet agreement to limit sales of conventional arms to Third World countries will in no way affect the interests of Brazil, according to a preliminary opinion poll conducted here yesterday.

Brazil does not have any contract or intention of purchasing arms from the Soviet Union. The reasons the limitation of U.S. arms sales will not affect Brazil are, however, of a different nature. Since 1976, Washington has imposed a virtual embargo on supplying Brazil with U.S. military equipment and materiel, in the name of its policy of defending human rights.

According to unofficial reports from Brazilian Air Force [FAB] sources, not even replacement parts for the 50 Northrop F-5 intercepters--which were purchased from the United States--are now being regularly received in Brazil. This will soon cause FAB to drop the U.S. source and turn to European suppliers--namely France--to meet its requirement needs, so that all units may be guaranteed operation, maintenance and parts.

The only pending action related to the old U.S.-Brazilian military deals was delivery of M-115 personnel carriers, which was entrusted to those officers charged with managing the remnants of the defeunct Brazilian-U.S. joint military commissions.

According to opinions heard in Brasilia, the period of military crisis with Washington coincided with the results of the [Brazilian] policy of reducing foreign purchases of war equipment to the benefit of the Brazilian arms industry, through incentives to IMBEL [War Materiel Industry], ENGESA [Specialized Engineers Corporation, manufacturer of armored vehicles for the armed forces], EMBRAER [Brazilian Aeronautics Company], and other enterprises, which are now going through a stage of consolidation and expansion in the country.

IMBEL recently obtained from the Belgian Government, through Itamaraty, authorization to reexport FAL-type automatic rifles manufactured in Brazil under Belgian license.

MDB's BRAGA OPPOSES LIMITS ON BUILDING A-BOMB

PY311128Y Buenos Aires TELAM in Spanish 0400 GMT 31 Oct 78 PY

[Text] Brasilia, 30 Oct (TELAM-EFE)--Opposition party Senator Roberto Saturnino Braga today defended a Brazilian nuclear program which would even allow for the production of atomic bombs. He added: "I do not see any reason for our country to deny itself possession of every nuclear technology, even the one for the production of these devices. The senator, member of the Brazilian Democratic Movement [MDB], emphasized that he was not defending the production of atomic weapons, but he contended that "we are denied access to the technological process which would permit us to produce even nuclear devices."

TECHNICAL MEETING WITH FRG OPENS IN BRASILIA

PY281619Y Sao Paulo O ESTADO DE SAO PAULO in Portuguese 27 Oct 78 p 6 PY

[From the Brasilia office]

[Text] Hervasio de Carvalho, president of the National Nuclear Energy Commission, asserted yesterday when he opened the eighth round of the joint Brazilian-FRG commission for scientific and technological cooperation that the main objective of the meeting is to take stock of the activities performed in the fields of nuclear research and development, mathematics and data processing, oceanography and aeronautical and space research in order to specify difficulties and to set new goals for the FRG-Brazilian cooperation projects.

The FRG delegation, headed by Hans-Hilger Haunschild, vice minister of research and technology, stressed that the discussion would deal with scientific subjects of the nuclear agreement and not with the commercial aspect of the enterprise, since that aspect is the responsibility of the enterprises which signed the contracts, that is, NUCLEBRAS and the Kraftwerk Union. [paragraph continues]

A German official said: "We have come to discuss the transfer of nuclear technology, to appraise the development of the training program for nuclear technicians and scientists and to exchange information about industrial cooperation in the field of atomic energy."

Haunschild has told Planning Minister Reis Velloso about the desire of his country to intensify the transfers of the technology to Brazil in the next decade in the fields of minicomputers and in modernization and improvements projects in the telecommunications sector.

Haunschild also showed interest in participating in Brazilian supply projects, particularly regarding the supplying of transport technology and in participating, together with specialized Brazilian organizations, in solar energy experiments taking place at universities in northeastern Brazil.

Another joint FRG-Brazilian commission, in charge of discussing trade and economic subjects in general, will be installed in Brasilia on Monday. According to Itamaraty sources, the protectionism shown by certain measures taken by the EEC against Brazilian shoes, textiles and pig iron will be one of the main topics.

PRC STEEL MISSION VISITS SAO PAULO, OTHER FIRMS

PY281714Y Rio de Janeiro O GLOBO in Portuguese 27 Oct 78 p 19 PY

[Text] Sao Paulo--The PRC economic mission which has been in Brazil since 7 October touring the main Brazilian iron and steel plants, yesterday ended its visit to the Sao Paulo Iron and Steel Company (COSIPA), and has practically decided on the products which it will import from this and other iron and steel companies. However, the amount and the type of products on the shopping list will be known only on 1 November in Brasilia, where the PRC mission and the executive board of the Brazilian Iron and Steel Corporation (SIDERBRAS) will sign a "letter of intent."

This information was released by the head of the PRC mission, Chen Wen-tung, director of Minmetals, the enterprise which coordinates all the steel import-export programs in continental China, and Juri Saukas, adviser for the marketing department of COSIPA. However, the two officials refused to supply details of the negotiations other than the fact that the mission had expressed some interest in steel sheets and pipes, as well as other products manufactured by COSIPA.

Chen Wen-tung stated that "the visit has a specific mission: To get to know the potential of Brazil's iron and steel industry and to establish openings for the development of trade relations in this sector between China and Brazil. After concluding our visits to the various plants, we plan to study the possibilities of more or less important business deals and the exchange of information with Brazilian technicians and government will lay the foundation for future steps in relations between the two countries."

Besides visiting COSIPA in Sao Paulo, the PRC mission visited Brasilia, Salvador and Belo Horizonte, where it toured enterprises such as Bahia Iron and Steel Plant (USIBA), the Minas Gerais Iron and Steel Mills, Inc (USIMINAS) and CIMETAL [expansion unknown]. With the latter, Minmetals reportedly signed a contract on Saturday to purchase iron and steel products for $15 million. Late yesterday afternoon the PRC mission left for Rio de Janeiro, where it will visit the National Iron and Steel Company in Volta Redonda and probably the Guanabara Iron and Steel Company (COSIGUA), in the industrial district of Santa Maria. After that they will again go to Brasilia to sign the letter of intent.

In fact, the PRC Government has been giving a great deal of attention to the expansion and modernization of its iron and steel industry, which is currently producing 30 million tons per year. Their goal is to double this production by 1985.

DETAILS GIVEN ON TRADE PACTS WITH EAST EUROPE

PY301823Y Sao Paulo O ESTADO DE SAO PAULO in Portuguese 29 Oct 78 p 56 PY

[By Milano Lopez]

[Text] In February 1979, Hungarians will start using Brazilian-made household appliance and electronic devices and Bulgarians will start driving some of the 2,000 Volkswagen cars manufactured in Sao Bernardo do Campo. This will mark the beginning of a new phase in trade relations between Brazil and East European countries, which up to now have involved basically primary products such as iron ore, coffee and soybeans.

The Coordinating Group for Trade With the Socialist Countries of Eastern Europe (COLESTE) also expects the implementation of the "trade packages" signed with the GDR, Poland and Hungary to get under way effectively next year. These packages have an overall value of $2.050 billion and will run for 3 years. The package with the GDR has a price tag of $1.25 billion; with Poland, $500 million; and with Hungary, $300 million. The $15 million package with Bulgaria earmarked $7 million exclusively for the purchase of cars and some cars already are being tested for necessary adjustments in that country.

The "trade package"--which is an arrangement peculiar to trade between Brazil and Eastern Europe--consists of the organization of a group of "trade companies" in Brazil to sign letters of intent with state enterprises of those countries, binding themselves to transact business for a given amount over a given period in both directions. The "trade companies" can then import from and export to state enterprises in East European countries.

These initiatives, in addition to others such as the participation of about 45 Brazilian companies in 8 trade fairs in which Brazil took part in East European countries, represent an effort to recover, over the medium term, Brazil's positive trade position in Eastern Europe, according to COLESTE Executive Director Rubens Barbosa.

In fact, the 1976 surplus, which totaled more than $1 billion, dropped to $800 million in 1977 and should come down to almost $600 million this year. Since Brazil's strategy for the equilibrium of its balance of payments hinges on the ever-greater increase of its exports, a loss of $400 million in just 2 years "is a figure to worry about."

In a way, according to Itamaraty's analysts, the drop in Brazilian exports to Eastern Europe was expected because, since 1976, the Soviets, Czechoslovaks, Yugoslavs, Bulgarians and Hungarians have been warning Brazilian Government officials about the need to boost imports from their countries as a way to reduce the huge surplus which Brazil had built up.

As pointed out by the Soviet trade representatives, the point is not necessarily to achieve an equilibrium, but for Brazil to make an effort to buy from the USSR. But there was no reaction on the Brazilian side because the government decided in the last 3 years to drastically reduce imports in an effort to even up the balance of payments.

Another aspect pointed to by Itamaraty's analysts is the effect of the oil crisis on the communist economy in Europe: The East European countries, to safeguard themselves, decided to adopt the "counter trade policy" which utilizes their import capacity as a bargaining tool to guarantee greater exports for themselves.

Since Brazil also has been following that guideline in its foreign trade policy, even in the case of specific products such as oil, there are no protests against the policy used by East European nations. [paragraph continues]

On the contrary, COLESTE, through an intensive effort conducted along with trading companies and exporters, has been insisting on the importance of Brazil not losing the chance to increase its participation in a potentially important market.

There are reasons for this. In 1973, Eastern Europe bought 6.8 percent of Brazil's exports, but in 1978 this figure reached 8.4 percent, while the rate for imports has been a bit less: 1.7 percent in 1973 and 2.1 percent in 1977. In terms of value, the surplus in the Brazil-Eastern Europe trade balance in 1973 totaled $421 million. Three years later it reached $1.024 billion.

In addition to Eastern Europe, only two other trade regions increased their purchases of Brazilian exports: The Latin American Free Trade Association [LAFTA], which increased from 9 percent in 1973 to 12 percent in 1977, and Africa, which grew from 2.5 percent in 1973 to 4.2 percent in 1977. The European Economic Community's share of Brazilian exports fell from 37.1 percent in 1973 to 32.2 percent in 1977, and the United States' share decreased from 18.1 percent in 1973 to 17.7 percent in 1977.

Itamaraty sources argue that it should be emphasized that today more than half of Brazil's trade in the COLESTE area is conducted with a system of freely convertible currency [regime da livre conversibilidade], while less than percent of the trade is conducted with the "clearing" system or agreed-on currency, which poses problems for the liquidation of surpluses. The USSR, Yugoslavia and Czechoslovakia have already joined the system of freely convertible currency, and negotiations for similar agreements with the other countries of Europe's socialist bloc are foreseen for 1979.

In addition to "trade packages" and government-level agreements--such as the one signed with Poland providing for the exchange of Polish coal for Brazilian iron ore--the participation of Brazilian businessmen in the trade fairs held annually in Eastern Europe is an important instrument for the conquest of that market, according to Itamaraty.

However, in terms of closed deals, the participation of Brazilian exporters this year in the fairs held in Leipzig (FRG), Brno (Czechoslovakia), Bucharest, Poznan (Poland), Plovidv (Bulgaria), Zabreg (Yugoslavia) and Budapest have yielded the deceptively low figure of $3.5 million. The figure does not bother Itamaraty, whose analysts insist that the contacts made there and their possible later results are more important than the deals closed.

For this reason, participation in the 1979 fairs will be encouraged even more. Meetings of the COLESTE with the Trade Association [Associacao das Trades] and the Brazilian Exporters Association [Associacao Brasileira de Exportadores] are foreseen so that trade can be better coordinated.

In addition to mobilization of the trade association and the exporters' association, COLESTE intends to promote lectures in different states, encouraging exporters to better explore the possibilities of the communist market and to assure them that security organizations will no longer restrict their visits to East European nations.

BISHOPS EXPRESS OPPOSITION TO SECURITY LAW

PY271401Y Sao Paulo Cadeia Verde Amarela in Portuguese 1000 GMT 27 Oct 78 PY

[Text] The executive board of the National Conference of Brazilian Bishops yesterday issued a statement after a meeting held in Brasilia. This statement criticized the new draft national security law which, according to the bishops, paves the way for new forms of repression, especially against press freedom.

The statement also cited the problem of corruption and stated that the entire nation is outraged. The bishops say that the 1964 revolution, which was aimed at fighting corruption, merely destroyed effective and organized means of supervision. They also indicate that the struggle also led to the silencing of media whose only crime was precisely the reporting of instances of corruption.

LABOR MINISTER: COUNTRY NOT GRIPPED BY SOCIAL TENSION

PY281823Y Porto Alegre Radio Gaucha in Portuguese 1545 GMT 28 Oct 78 PY

[Text] Labor Minister Arnaldo da Costa Prieto has stated that he knows nothing about the telephone call in which the chief of the National Intelligence Service told Sao Paulo Governor Paulo Egydio about agitation in Sao Paulo.

Da Costa Prieto indicated that he does not believe that there is social tension in Sao Paulo or any other part of the country as a result of demands for salary increases.

The labor minister believes that workers' demands and movements are a consequence of the political opening which Brazil is experiencing. In a press conference held this morning at the Labor Ministry branch in Porto Alegre, Costa Prieto expressed his hope that the problems in Sao Paulo will be solved between employers and workers by means of direct negotiations. However, he indicated that the workers must act responsibly because if they demand wage increases beyond the capability of the enterprises, they are conspiring against their own interests.

The minister termed as "funny" the proposal of the Rio Grande do Sul Federation of Industries to split between government and business the salary increases which go beyond government-established percentages. He made it very clear that this was scarcely possible. He pointed out that the decision is up to the Finance Ministry, which will naturally take into account that the money which the government has comes from the taxes paid by the people.

COURT SAYS STATE RESPONSIBLE FOR NEWSMAN'S DEATH

PY281819Y Paris AFP in Spanish 1737 GMT 28 Oct 78 PY

[Text] Sao Paulo, 28 Oct (AFP)--It has been announced here that a court in this city declared today that the Brazilian State (the federal union) was guilty of the death of newsman Wladimir Herzog on 25 October 1975 on Sao Paulo military police premises.

Federal Judge Jose de Moraes declared that the official report that Herzog committed suicide could not be proven and ordered the state to pay indemnities to the victim's family.

If the sentence is confirmed by the Federal Court of Appeals, it will lead to a police investigation to establish the exact cause of the newsman's death.

According to statements by Herzog's family, he was tortured and murdered during questioning. The court decision has been received with great satisfaction by the Brazilian press.

The Herzog case and the subsequent death of a worker under similar circumstances contributed to President Ernesto Geisel's dismissal of Gen Eduardo Avila Melo as commander of the Second Army in Sao Paulo toward the end of 1975.

MDB SENATOR LEADS RIO DEMONSTRATION; 10 INJURED

PY312101Y Paris AFP in Spanish 2031 GMT 31 Oct 78 PY

[Text] Rio de Janeiro, 31 Oct (AFP)--Ten people were injured and several detained in a demonstration today on Rio Branco Avenue, the main avenue of Rio de Janeiro, under the leadership of opposition Senator Nelson Carneiro. Policemen set up a vast security operation.

Surrounded by several deputies of the Brazilian Democratic Movement (MDB), the only legal opposition party, and followed by many students, Senator Carneiro clashed with a police security ring shortly after starting the march. Police dispersed the demonstrators with teargas, water, and trained dogs, but they regrouped in front of the legislative palace.

The downtown area of this city was shaken this afternoon by the pursuit of the demonstrators and by the sirens of police cars and ambulances carrying injured persons.

FURTHER OPINION POLLS ON ELECTION BANNED

PY271723Y Porto Alegre Radio Gaucha in Portuguese 1545 GMT 27 Oct 78 PY

[Text] As of 31 October, no forecasts or surveys regarding the outcome of the 15 November elections can be published in the country. This measure applies to magazines, newspapers, radio and television stations or any other news media.

GOVERNMENT, PRIVATE PRESS AGENCIES SUPPORTED

PY280320Y Porto Alegre Radio Guaiba in Portuguese 0200 GMT 28 Oct 78 PY

[Text] Brasilia--Itamaraty has stated that Brazil advocates the creation of governmental news agencies, and even the formation of a pool of these agencies, but believes that these should not jeopardize the functioning of free enterprise agencies existing in the country. This position was officially stated at the 20th UNESCO general conference and was reiterated today by Itamaraty spokesman Luiz Felipe Lampreia.

BRIEFS

METALLURGICAL WORKERS STRIKE CONTINUES--Belo Horizonte, 26 Oct (TELAM--EFE)--Despite the deployment of police ordered by the government of Minas Gerais State, the 8,000 metallurgical workers of the Fiat complex in Betim continue with the strike which began on Tuesday. The main buildings of the factory are in the hands of agents of the Department of Political and Social Order (DOPS) and military police shock units with trained dogs to prevent demonstrations. [Buenos Aires TELAM in Spanish 1252 GMT 26 Oct 78 PY]

COST OF LIVING DEMONSTRATION--Sao Paulo--Sao Paulo Auxiliary Bishop Mauro Morelli denied yesterday the intention of the cost of living movement to hold "empty pan marches" on Sunday, as was stated by Sao Paulo Governor Paulo Egydio Martins, who also promised to repress them. The bishop said that the movement plans to hold rallies in five different places in Sao Paulo, either in halls or enclosed yards. He added that the "only way to solve the problem and put an end to empty pans in Brazil is by filling them. [Excerpt] [Rio de Janeiro JORNAL DO BRASIL in Portuguese 25 Oct 78 p 15 PY]

CHARGES BY ARGENTINA OF TERRITORIAL VIOLATIONS REJECTED

PY010247Y Paris AFP in Spanish 0030 GMT 1 Nov 78 PY

[Text] Santiago, Chile, 31 Oct (AFP)--Chile today firmly rejected Argentine charges of Chilean violations of Argentine territory. In a statement, the Chilean Foreign Ministry responded to a document sent by the Argentine Government to all its embassies, in which Argentina presented itself as the victim of Chilean belligerence.

The statement, which was released by Foreign Under Secretary Roberto Soto, stated that in view of this position, Chile will not refute the alleged legal arguments included in the Argentine document.

It added that the document ignores current and fully valid international instruments, such as the 1881 border treaty, the 1972 Treaty of Legal Solution of Conflicts and the 1977 arbitral decision.

In view of the Argentine attempt to reverse the positions of the two countries and to pose as the victim of Chilean behavior, the Chilean Government believes that the time has come to point out undeniable events which do not need to be unduly stressed but which international opinion can assess as it sees fit, the statement added.

The Chilean Government simultaneously distributed this statement to all foreign diplomatic missions accredited in the country and to Chilean embassies abroad.

The foreign under secretary also gave the press a complete 70-page documentation of all the remarks by Argentine officials, which were believed to contain clearly intimidating and warlike contents.

When Colonel Soto delivered this document, he indicated that the negotiations on maritime demarcation of the Beagle Channel in the southern area of the continent which are being held in Santiago have not been disturbed by these incidents.

It was learned that the Chilean-Argentine mixed commission will meet in plenary session tomorrow to work throughout the day on composing the final act of the talks, which must end on Thursday, after 6 months of work.

ARGENTINE NEGOTIATOR RETURNS AFTER CONSULTATIONS

PY312116Y Paris AFP in Spanish 2054 GMT 31 Oct 78 PY

[Text] Santiago, 31 Oct (AFP)--Gen Ricardo Etcheverry Boneo, head of the Argentine delegation to the talks with Chile on the Beagle Channel dispute, arrived in Santiago today.

Etcheverry stayed less than 24 hours in Buenos Aires, where he held consultations with his government on the Argentine-Chilean negotiations which must conclude on Thursday.

The Argentine representative arrived at Pudahuel Airport at 1700 local time (2000 GMT) aboard the presidential plane. He immediately went to the downtown area of this capital to join the other members of the mixed commission which will have to issue its report within the next few hours.

In a short statement to the press, Etcheverry expressed his optimism at the outcome of the talks, but refused to give specific details.

NAVAL SQUADRON MOVING SOUTH ON REGULAR EXERCISES

PY312057Y Buenos Aires TELAM in Spanish 1905 GMT 31 Oct 78 PY

[Text] Talcahuano, Chile, 31 Oct (TELAM)--According to the high command of the Chilean Navy, a Chilean naval squadron is steaming south on regular exercises.

The various units under the command of Vice Adm Raul Lopez Silva, who is commanding the flagship Captain Prat, is to arrive in Puerto Montt today and then continue south.

According to the report, the naval units involved have just finished their exercises in the Unitas 19 operation and will now continue with their annual training and instruction of personnel.

LABOR MINISTER OUTLINES UNION ELECTION RULES

PY281211Y Santiago Chile Domestic Service in Spanish 0030 GMT 28 Oct 78 PY

[Speech to nation by Labor Minister Vasco Costa Ramirez--presumably live]

[Excerpts] A few days ago, the interior minister reported to the nation the most important aspects of the government activities during the past 6 months. He reported on the progress achieved in the creation of a new institutionality for our fatherland within the overall, coherent and unitary vision in which this process is conceived for the political, economic and social field in accordance with the guidelines established by the president.

At that time, the interior minister said that the government would soon report the guidelines, shaping the new union institutionality which is of vital importance to the nation.

Within this context, and as labor and social security minister, it is my duty to address the nation tonight to explain the criteria and measures which will guide this activity.

The achievements of these 5 years enable the government to announce tonight that the decree which was approved today orders the restoration of all union leaderships belonging to private enterprise through free, direct and [word indistinct] elections which will be held on 31 October throughout the fatherland.

This measure, having great significance in the national institutionalization process, will enable future collective negotiations to be carried out with a more solid representation of Chilean workers.

Since this is the most immediate and urgent objective of this measure, it is now temporarily restricted to the private sector. As I noted previously, collective bargaining in state enterprises and in the maritime sector will be subjected to the legal norms which are appropriate for those sectors through special statutes to be approved for those sectors [passage indistinct]. At this time all workers belonging to those unions will be eligible to be elected as leaders.

The new union leadership will be made up of three persons. Each worker will be able to vote for two persons. The three persons having the largest number of votes will be elected.

So that these elections may result in the beginning of a new stage of the Chilean Labor movement, certain regulations are necessary for the eligibility of those who may be elected. These regulations, in addition to favor [word indistinct], will insure the depoliticization of unions.

Only a powerful and genuine union movement can be truly free. This is exactly the opposite of what we knew in the past when small minorities which were actually branches of political parties or movements imposed upon workers not only candidates but also decisions of great importance without the active participation of those truly affected.

In view of this, for these elections there will be no formal presentation of candidates, a system which results [words indistinct]. Instead, every worker will be able to vote for any union member who has been working for 5 consecutive years in the enterprise. [Words indistinct] less than 5 years this requirement will be lowered to 2 consecutive years in the enterprise.

If the depoliticization of the unions which is sought here is to be achieved, then those persons who have been active in party politics or who have been members of a political party or who have been candidates for elective posts or who have served in any other capacity as representatives of a political party within the last 10 years cannot participate in these elections.

At the time of voting, every worker must be certain that if he does not want his vote to be nullified, it must favor a worker who was not a militant.

Furthermore, any elected union leader who engages in any of those restricted activities previously mentioned will lose the authority of his post.

Moreover, to further insure the strengthening of the Chilean union movement and to overcome any remnants of an epoch which must be considered effectively behind us, it has been ordered that there will be no reelection of any of the present union leaders, all of whom were appointed through decree Law No 198.

This should not be interpreted as a repudiation of the work which these union leaders have carried out. On the contrary, it is just to acknowledge our recognition of the courage they have shown against the previous government and their unbiased effort for the restoration of Chile.

Nevertheless, it is mandatory to promote a new generation of union leaders who will assume, with new vigor and with a new style in accordance with the new depoliticized labor movement, the difficult mission of leading the union movement.

We are certain that the previous union leaders will understand better than anyone, with a generous spirit, the need for this new change.

A brief period was deliberately established for these elections to avoid any manipulation of the votes through political activism, demagogy or pressures of any kind which may have mounted their [word indistinct] mechanisms.

It is very likely that these sectors will issue harsh criticism against this new stage of social participation promoted by the government because they understand that this new plan will not enable them to manage the will of Chilean workers for their own benefit.

Although this period will be short for these political groups, it will be sufficient for every worker since he knows quite well all his fellow workers and can decide by himself, freely and spontaneously, which person will represent him most effectively by enforcing true labor interests above any political interest.

The government thus defends the free will of Chilean workers against the well-known party tactics which strive to manipulate it.

The elections will be held in the presence of labor inspectors who will supervise elections and who will act as judges. For this purpose the labor department director is authorized to appoint any municipal, provincial or regional authorities as labor inspectors.

The new union leaders will be elected to 4-year terms in accordance with the law.

Those unions affected by these elections will be accredited prior to the start of collective negotiations governed by the rules enforced at the proper time after its leaders are duly renewed in accordance with the legal norms I have mentioned. This will be done with the understanding that the mandate of the previous leadership expires on the date the new leadership is elected, whether such an election has taken place or not. [Word indistinct] only in very special cases which in this regard is specified by the new law.

I must also warn employers that the authorities will punish any attempt to obstruct these elections. Any person attempting to thwart the normal activity of these elections, or obstruct [words indistinct] or those procedures following it will be committing a crime punishable by short-term imprisonment.

I especially appeal to the patriotic feeling of the mass media to avoid sensationalism [word indistinct] or seek to attach political characteristics to a strictly union event. If they should do this, the government will be forced to fully enforce its powers.

I remind all Chilean workers that in addition to their duty of participating in these elections in a responsible manner, they are the only ones who can understand and defend better than anyone this new style of a healthy and strong union movement which has as its objective their well-being and their future.

The government is certain that all Chilean workers will again show the maturity which has always characterized our fatherland and that at a difficult time which the fatherland is experiencing, Chilean workers will understand the patriotism required from each individual to build a Chile for the future [words indistinct] with his own attitude, a destiny which tomorrow will make us feel proud before our sons and before history. Thank you.

BRIEFS

CAP RECEIVES LARGE LOAN--Considering the good prospects of the Chilean steel market, a consortium of international banks comprised of Chemical Bank, Citicorp, International Group, the First National City Bank of Chicago, Manufacturers Hanover Trust, RBC Finance B.V., Interunion Banque, Midland Bank Limited, Banco Real S.A., and the J. Henry Schroeders Bank and Trust Company Limited has granted a $100-million loan to the National Pacific Company [CAP], the largest ever granted to the state company. The agreement was signed in New York by CAP General Manager Juan Izquierdo and representatives of the banks. [Santiago Chile EL MERCURIO in Spanish 27 Oct 78 pp 1A, 19 PY]

MINISTER PRAISES MAGISTRATES FOR RULING ON SECURITY STATUTE

PA311736Y Bogota Cadena Radial Super in Spanish 1100 GMT 31 Oct 78 PA

[Text] Bogota--Government Minister German Zea Hernandez today described the Supreme Court of Justice's decision to declare the controversial security statute constitutional as a victory for democracy. Minister Zea Hernandez praised the magistrates' action and said that they have reaffirmed the strength of a statute designed to fight organized crime, which previously sought to take over the country.

Zea Hernandez added that Colombians should be proud to have institutions and organizations that support the government in its struggle to provide security for all Colombians. [Begin Zea Hernandez recording] Evidently, it is a victory of Colombian democracy and the system that rules us. When I had the honor of presenting that statute to Colombians, I said that in our opinion, the statute conformed to current Colombian laws and that it respected constitutional guarantees and, above all, human rights.

As you well know, that statute came under strong attacks, not only in certain newspapers, but in Congress as well. There were many lawyers who criticized it before the Supreme Court of Justice.

The least I can do now is to express the government's satisfaction with the Supreme Court's action. We were very careful in drafting that statute to avoid violating the national constitution and to insure the continuation of Dr Turbay's administration within the framework of the laws that rule us. [end recording]

Last night, at the Supreme Court of Justice, the security statute won its hardest constitutional battle. Nineteen votes were cast in favor of the measure and five against it.

SENATE CHAIRMAN WANTS MORE U.S. FUNDS FOR DRUG CONTROL

PA010324Y Bogota Cadena Radial Super in Spanish 0000 GMT 1 Nov 78 PA

[Text] Colombian Senate Chairman Guillermo Plazas (Alcid) told U.S. Ambassador Diego Asencio and U.S. Representative Benjamin Rosenthal that the United States should increase its funding for narcotics control in Colombia. During a meeting held this afternoon, Plazas (Alcid) said that the amount of U.S. funds for narcotics control in Colombia is very small. (?He criticized) the United States for accusing Colombia of being the center of drug production. The Senate chairman said that Colombia is only a stopover point through which drug smugglers pass.

LEFTWING LIBERALS ATTACK TURBAY, LOPEZ ADMINISTRATIONS

PA301637Y Bogota Cadena Radial Super in Spanish 1100 GMT 30 Oct 78 PA

[Text] The administration of Julio Cesar Turbay and Alfonso Lopez have been severely criticized by the Movement of the Liberal Left, led by Luis Villar Borda, former president of the House of Representatives.

A document released at the movement's national assembly points out that the current administration has not drafted an economic plan or a social policy. The document also blames former President Lopez Michelsen for the current crisis in the liberal faction.

The document asks all Liberals, Conservatives, leftists and members of the nonalined movement to join a national coalition aimed at fighting the devious national front and its privileges.

CFP CANDIDATES LEAVE FOR INTERNATIONAL TOUR

PA312025Y Madrid EFE in Spanish 1430 GMT 31 Oct 78 PA

[Text] Quito, 31 Oct (EFE)--Jaime Roldos and Osvaldo Hurtado, candidates for the presidency and vice presidency of Ecuador who won the first round of elections, will make a 3-week tour of several European and American countries.

In a news conference on Monday the candidates explained that their trips are in response to invitations extended by cultural, political and media organizations interested in detailed information on the Ecuadorean constitutional process, as well as its political and socio-economic ideals.

The two candidates will begin the tour separately. Osvaldo Hurtado will leave for Milan tomorrow to participate in an international meeting of Christian democratic leaders. Jaime Roldos will join him in Italy 4 days later, after which they will visit the Vatican, followed by a tour of Germany, France and Spain.

Hurtado will return to Ecuador from Madrid in late November, while Roldos will go on to New York, Costa Rica and Caracas, returning to Quito in early December.

In view of the fact that the present military government has delayed its return to a legal system (the turnover of power will take place in August 1979), and since electoral propaganda is not permitted, we believe that it is a good time to accept these invitations, the candidates said.

Answering a question, Roldos said that they are not going to seek international support for the Ecuadorean plan to return to a constitutional system because they are firm believers in the self-determination of peoples, and in this regard Ecuador must develop its own future.

The candidates expressed support for Andean integration and a strengthening of Ecuador's presence within OPEC.

BRIEFS

AGREEMENT WITH DENMARK--A major convention on the promotion of industrial projects has been signed between Ecuador's industrial development center and the Danish Fund for the Industrialization of Developing Countries. According to the agreement, the two institutions will promote Ecuadorean industrial projects so that Ecuadorean and Danish businessmen can invest in and operate manufacturing plants. [Quito Voz de los Andes in Spanish 1730 GMT 20 Oct 78 PA]

INCREASE IN EXPORTS--According to Foreign Trade Director Guillermo Cartagena, Ecuadorean exports increased 6 times from 1972 to 1978, but did not reach the goals set by the military government. Exports continue to be mainly primary or agricultural products. Only a small quantity of industrial products has been exported. Cartagena made the statements during a seminar on the general system of preferences in Europe. [Quito Cadena del Triunfo in Spanish 1255 GMT 21 Oct 78 PA]

STUDENTS STAGE NEW DISTURBANCES AS CLASSES RESUME

PA311526Y Madrid EFE in Spanish 0410 GMT 31 Oct 78 PA

[Text] Lima, 30 Oct (EFE)--University and high school students staged new disturbances here today when classes resumed after a 5-day suspension by government order. The demonstrating youths were protesting against a 50-percent hike in public transportation fares decreed 3 weeks ago which caused general discontent among the people.

In its last plenary meeting on Wednesday, 25 October, the Constituent Assembly approved a motion demanding that the government revoke the decree raising fares and establishing new freight rates.

In the marches today, university and high school students attempted to overturn urban buses and stoned certain business establishments, whereupon the police intervened to disperse them.

The Education Ministry suspended classes in Lima on 24 October because of similar disturbances which it blamed on agitators "using children for inadmissible political purposes."

On that occasion the official Peruvian news agency reported that two youths had been arrested while carrying molotov cocktails which they had planned to throw at the assembly building. The report said that foreigners had provided the explosives and offered to pay the students to throw them.

FOREIGN MINISTER SATISFIED WITH NUCLEAR AGREEMENT

PA272132Y Paris AFP in Spanish 0343 GMT 27 Oct 78 PA

[Text] Lima, 26 Oct (AFP)--Peruvian Foreign Minister Jose de la Puente sent a message to his Argentine counterpart, Oscar Antonio Montes, expressing his "great satisfaction" with the nuclear cooperation agreement signed in Buenos Aires today.

The Peruvian minister's message, which was released here tonight, states that the agreement to establish liaison offices of the respective nuclear commissions in Lima and Buenos Aires represents an "enrichment" of the "continuous mutual scientific cooperation" between Argentina and Peru.

The foreign minister then emphasized the "high motive" which inspired the agreement; namely, "to place nuclear energy at the service of peace," which, he said, will result in "benefits for our peoples as well as an effective and substantial expansion of Peruvian-Argentine relations."

Bilateral cooperation in the nuclear field has led to the installation of an experimental reactor in Lima, loaned by the Argentine National Atomic Energy Commission to the Peruvian Nuclear Energy Institute.

Currently, the installation of a 10-megawatt reactor near Lima is being discussed.

CRITICA VIEWS DISAGREEMENT ON CANAL TREATY IMPLEMENTATION

PA280407Y Panama City CRITICA in Spanish 27 Oct 78 p 4 PA

["Pisando Callos" column by Carlos J. Nunez L.: "Partners or Adversaries?"]

[Text] The recently announced decision of the Panama Canal Administration to forbid its Panamanian employees from participating as advisers to the Panamanian Government in planning the implementation of the Torrijos-Carter treaty has not only caused justified distrust in the country's public opinion, but has also raised the question heading this column:

Partners or Adversaries?

Now that the crucial stage of the negotiations is over, during which each country compromised as much as it could to obtain a treaty based on cooperation and mutual respect, it was assumed that a new relationship was very close. U.S. President Jimmy Carter, Secretary of State Cyrus Vance, the Pentagon spokesmen headed by Gen George Brown and even Gen Dennis McAuliffe of the 193d Brigade stationed in the Panama Canal Zone and the former U.S. Ambassador to Panama William Jorden all have repeatedly stated that the new treaty provides for the joint administration of the canal.

President Carter, during his visit to Panama in June to sign the treaties with then Chief of Government Brig Gen Omar Torrijos Herrera, addressed the civilian and military communities in the Canal Zone to ask for their cooperation in attaining the high objectives of the new treaty.

Nevertheless, the weekly SPILLWAY--which has done more to inflame passions than to assuage differences between Panamanians and Americans--2 weeks ago published a statement prohibiting Panamanian employees from assisting the Panamanian Government in the planning and implementation of the treaty which will become effective on 1 October 1979. This prohibition, which clearly contradicts the principles of consultation, cooperation and mutual respect on which the treaties are inspired, was reedited in a letter from canal personnel director Gordon Frick, which was published this week.

The zone authorities' attitude makes us recall the lessons of history, which teach us how they contrived in 1936 and 1955 to violate the treaties negotiated by former Presidents Hermodio Arias and Jose A. Remon Cantera.

Presumably, that position is isolated--we hope it is--and is therefore apparently not shared by the Panama Canal Zone mi itary authorities or by those who represent the U.S. State Department here.

Undoubtedly, Ambler Moss, the new U.S. ambassador to Panama, has a thorough knowledge of history and the relations between the two countries and is aware of the vices that corrode the "zonian" minority which has done so much damage to U.S. prestige.

They are the same individuals who have used the slightest excuse to meddle in Panama's internal affairs--violating all their own rules and laws--and who now pretend to find new causes of conflict between the United States and Panama, which in spite of everything has been generously hospitable toward them.

We hope that good faith and a spirit of cooperation will prevail so that the objectives outlined by both countries in the new canal treaty will be realized.

COSTA RICA

FOREIGN MINISTER DENIES INVOLVEMENT IN SANDINIST RAIDS

PA010305Y San Jose Radio Reloj in Spanish 0100 GMT 1 Nov 78 PA

[Text] Foreign Minister Rafael Angel Calderon Fournier has said: We deny complicity with or toleration of the attacks which Sandinist National Liberation Front (FSLN) members have staged on Nicaragua. We have demonstrated efforts to deport the Sandinists and we deny the reports cited in documents [as heard] as well as our complicity in the actions which have taken place in Nicaragua, the foreign minister said.

SIX NATIONAL LIBERATION FRONT MEMBERS DEPORTED TO PANAMA

PA010307Y San Jose Radio Reloj in Spanish 0100 GMT 1 Nov 78 PA

[Excerpts] The six Sandinist National Liberation Front members who were in Heredia prison have been released and deported to Panama. Only one remained in the country. Guillermo Antonio (Zalu) Solano, a Costa Rican who was imprisoned in Nicaragua, was released when his family paid $23,000. Romeo, Aniceto, Lucas, Pedro, Ramon and (Peche) were deported to Panama.

NATIONAL PROGRESS PARTY REGISTERS FOR NEXT ELECTION

PA010401Y San Jose Radio Reloj in Spanish 0100 GMT 1 Nov 78 PA

[Text] The first political party has registered for the next elections. The National Progress Party [Partido Progreso Nacional] registered at the canton level. Miguel Barzuna will be the presidential candidate when the party registers on the national level. Its banner is comprised of three purple, red and blue stripes. The National Progress Party registered in San Carlos Canton this afternoon after collecting 200 signatures in 1 and 1/2 days. It is also known as the Group of 14 because 14 people met before the 1978 elections to create the party.

Sources close to Miguel Barzuna told this station's reporters that beginning today they will work to gain national recognition. Of course, Miguel Barzuna [words indistinct]. The National Progress Party is Social Christian. It was formed to improve the situation of the needier classes, better use [words indistinct] resources and educational advancement. The Group of 14 in a letter sent to Miguel Barzuna says he is the person who embodies the civil virtues needed to lead the movement because he is a man of wholesome principles and proven honesty.

The executive canton committee includes Chairman Jose Alberto Arroyo Quiros, Secretary Juan Felix Solis, [name indistinct] and Treasurer (Gilbert Haickel Carazo). Miguel Barzuna is the presidential candidate.

EL SALVADOR

POLICE, LEFTISTS CLASH NEAR UNIVERSITY OF EL SALVADOR

PA311920Y Panama City ACAN in Spanish 1834 GMT 31 Oct 78 PA

[Text] San Salvador, 31 Oct (ACAN-EFE)--The leftist United Popular Action Front (FAPU) said here today, Tuesday, that it had an armed clash with Salvadoran national policemen yesterday near the strife-torn University of El Salvador.

Although the extremist organization did not mention casualties among its members, it provided details of the clash in a communique presented this morning to the mass communication media. The communique notes that several FAPU members were distributing propaganda materials in the southeast sector of the city when they were intercepted by eight policemen. FAPU claims that four policemen were injured and that the others fled.

Meanwhile, the national police headquarters reiterated its statement that a police car patrolling the urban areas of the capital was fired upon by terrorists who had hidden themsleves at strategic points. They fired weapons of various calibers. The police claim that they wounded four leftists who were able to escape.

PRESIDENT RETURNS FROM U.S. VISIT 30 OCTOBER

PA312000Y Panama City ACAN in Spanish 1656 GMT 31 Oct 78 PA

[Text] San Salvador, 31 Oct (ACAN-EFE)--Salvadoran President Gen Carlos Humberto Romero returned yesterday afternoon to El Salvador following a visit to the United States.

The chief of state stated that his trip was basically of a personal nature and that he had used the occasion to visit one of his daughters who attends school in the United States. The president was accompanied by his wife, Gloria Regina de Romero, who made an official visit to Egypt last month at the invitation of that Middle East country. The presidential couple was received at the airport by high-ranking government officials, friends and supporters of the chief of state.

BRIEFS

COFFEE PRODUCTION ESTIMATE--San Salvador, 26 Oct (ACAN-EFE)--Spokesmen of the coffee association have reported that Salvadoran coffee production for the 1978-1979 agricultural period will be much lower than the estimates of the U.S. Agriculture Department. It has been estimated that production will amount to about 2.2 million bags of coffee. The spokesmen said that recent storms have caused serious damage to coffee plantations, thereby decreasing production. [Panama City ACAN in Spanish 0429 GMT 27 Oct 78 PA]

NEW ISRAELI AMBASSADOR--New Israeli Ambassador Abraham Sarlouis presented his credentials yesterday to President Gen Carlos Humberto Romero. [San Salvador LA PRENSA GRAFICA in Spanish 19 Oct 78 p 29 PA]

HONDURAS

GOVERNMENT WELCOMES NICARAGUAN INVESTMENT CAPITAL

PA312342Y Panama City ACAN in Spanish 1658 GMT 31 Oct 78 PA

[Text] Tegucigalpa, 31 Oct (ACAN-EFE)--Miguel Bendeck, the Honduran vice economy minister, said today that Honduras does not have any type of limitation on or preference regarding the establishment of Central American industries in the country. The official was answering questions from journalists who, interpreting the fears of Honduran businessmen, queried him on a possible threat to local industry from the apparent massive influx of Nicaraguan capital, the final arrangements for which are now being negotiated.

The fact that several industries will be coming in the near future from the neighboring country is apparently due to the Nicaraguan Government's obstacles to investors and the country's political instability.

Bendeck reaffirmed that any Nicaraguan factory that is established in Honduras "will be welcome" but it will have to compete with Honduran industries as prescribed by law. He added that the Honduran military government's decision conforms to the Central American agreement on investment incentives.

He recalled that the agreement prohibits any kind of discrimination against or barrier to businessmen of one Central American country who wish to invest in any of the other countries. "Consequently, any gesture by the Honduran military triumvirate impeding Nicaraguan investments could only create a negative image among other investors who wish to establish themselves in the country," said the vice minister.

BRIEFS

DRUG TRAFFIC CONTROL--Tegucigalpa, 25 Oct (AFP)--The Honduran Government has ratified the multinational agreement determining international methods to be used to combat drug traffic. The document was drafted in Vienna on 21 February 1971. Its ratification compells the Honduran Government to participate in multinational efforts to prevent drug traffic and consumption. [Paris AFP in Spanish 0544 GMT 26 Oct 78 PA]

AMBASSADOR TO U.S.--Tegucigalpa, 24 Oct (AFP)--The Honduran Government announced today the appointment of Jose Antonio Bermudez Milla as new ambassador to the United States. Bermudez Milla replaces Robert Lazarus, who died several months ago in Washington, D.C. [Paris AFP in Spanish 0419 GMT 25 Oct 78 PA]

NICARAGUA

NATIONAL GUARD REPORTS MERCENARY RAID FROM COSTA RICA

PA311400Y Managua Domestic Service in Spanish 1255 GMT 31 Oct 78 PA

[Communique No 61 of the Legal and Public Relations Office of the Nicaraguan National Guard--issued 30 October]

[Text] General Headquarters of the Nicaraguan National Guard; Managua, National District; Explanada de Tixcapa, Nicaragua; 30 October 1978:

The Legal and Public Relations Office of the Nicaraguan National Guard notifies all citizens that at 2120 yesterday, 30 October, invading mercenary elements from Costa Rican territory attacked several police patrols near El Carmen in Nicaraguan territory, but were repelled. The invaders fled to Costa Rica along the banks of the Icabalzeta River. Nicaraguan National Guard units are on alert to repel any act of aggression. A member of the patrols was injured. [Signed] Aquiles Aranda Escobar, colonel, National Guard, chief of Legal and Public Relations Office of the Nicaraguan National Guard

Costa Rican Government Complicity Charged

PA010239Y Managua Domestic Service in Spanish 2355 GMT 31 Oct 78 PA

[Unattributed commentary]

[Text] When will the Costa Rican Government headed by Rodrigo Carazo Odio adopt adequate measures to stop the activities of the Sandinists who attack National Guard points in Nicaraguan territory and then return to the neighboring country?

The last attack on Nicaraguan territory was committed by communists who fled accross the Icabalzeta River into Costa Rica.

Were the rebels interned by the Costa Rican authorities? There have been no reports to this effect. Has Carazo Odio's government adopted measures to prevent new attacks? We have no knowledge that the Costa Rican Government has adopted such measures. When a Nicaraguan plane mistakenly fired over Costa Rican territory, Carazo's government created a big fuss. Why does it not now comply with the international agreements it has signed with Nicaragua which oblige it to prevent extremist attacks against Nicaraguan territory?

The irresponsibility and complicity of the present Costa Rican Government with the international gang organized to attack the Nicaraguan Government has become evident. When will Carazo Odio's government become responsible? When will it stop being a docile instrument of other extremist governments?

'ATMOSPHERE OF CONCERN' HINTS OF VIOLENCE

PA312316Y Paris AFP in Spanish 2243 GMT 31 Oct 78 PA

[By Horacio Ruiz]

[Text] Managua, 31 Oct (AFP)--An atmosphere of concern engulfed Nicaragua today in light of hints that violence may erupt in the country again, observers confirmed.

The Inter-American mediation committee members left the hotel where they were staying and moved to safer locations. President Anastasio Somoza's principal advisers spent last night at the presidential office and the army carried out maneuvers and mobilization exercises similar to those made several days before the guerrilla attack in September.

The Continental Hotel where the mediators from the United States, Guatemala and the Dominican Republic were staying is located in the southern end of the capital in an area of intensive military activities a short distance away from Somoza's office and the major National Guard commanders.

American mediator Willian Bowdler moved to a house offered by his country's embassy, while his assistants were housed at the embassy. Guatemalan Alfredo Obiols Gomez and his advisers moved to a small hotel in the suburbs of southwestern Managua. However, the new location of Dominican Foreign Minister Adm Ramon Emilio Jimenez, the third Inter-American Mediation Committee member, is completely unknown.

[San Jose Radio Reloj in Spanish at 1200 GMT on 31 October carries a variant report on the mediation commission stating that "two of the mediators have moved to the (Ticomo) Apartments 13 km south of Managua: the one from Guatemala, Alfredo Obiols, and the Dominican, Vice Adm Ramon Emilio Jimenez."]

This wave of concern comes after Luis Pallais, spokesman for the ruling Nationalist Liberal Party, said on television that failure of negotiations between Somoza and the political opposition might lead to a military coup against the chief of state. As a matter of fact, Pallais is one of the top officials who slept in the Presidential Palace last night.

Meanwhile, in Managua the certainty continues to grow that the government is going to reject the conditions set by the Broad Opposition Front (FAO) for the reestablishment of peace in the country. A document issued by the FAO demands that Somoza and his relatives abandon all political and military posts and leave the country in order to allow the formation of a transitional national unity government. However, government media, both radio and newspapers, have incessantly attacked this document since its publication.

The situation has become even more complicated following the withdrawal of the so-called Group of 12, the representatives of the Sandinist guerrillas, from the FAO because it felt that the FAO proposals would result in the Somoza dynasty continuing in power.

COMMUNISTS ACCUSED OF SPREADING RUMORS

PA010230Y Managua Domestic Service in Spanish 2355 GMT 31 Oct 78 PA

[Unattributed commentary]

[Text] The so-called rumors or false news which biased individuals spread among the people are fabricated by the same elements of international communism who, without morals or scruples, take it upon themselves to upset naive persons. It is part of international communism's psychological warfare.

News of attacks and all kinds of misfortune are publicized by anonymous individuals involved in subversion. Responsible people should be wary of this kind of irresponsibility, the purpose of which is to frighten the unwary. The people must feel assured and confident about the strength of our government, of our armed forces, which have the capacity to maintain public order and, if necessary, fight those who might dare to threaten the security of the people.

Communism uses false propaganda. Its methods are well known. The responsible citizen must ignore the rumors or false news which irresponsible persons spread.

QUINTANA SURPRISED AT GROUP OF 12'S ASYLUM REQUEST

PA311516Y Managua Estacion X in Spanish 0531 GMT 31 Oct 78 PA

[Text] Foreign Affairs Minister Julio C. Quintana has expressed surprise at the Group of 12's request for asylum. He said that FAO members were not being persecuted by the authorities and were conducting their activities normally.

Quintana said he would review the request for asylum because the group has a case pending at the appellate court in Masaya as a result of an arrest warrant issued against the FAO by a criminal judge in Managua. However, the warrant was revoked following consultations with the court's criminal chamber, and the group's members--most of whom were in Costa Rica--were allowed to return to Nicaragua.

Quintana said he has not visited the Foreign Ministry to review the asylum request in detail.

VESCO TO BE HELD FOR U.S. EXTRADITION IN EVENT OF ARRIVAL

PA312246Y Managua Domestic Service in Spanish 2213 GMT 31 Oct 78 PA

[Text] The U.S. Embassy has asked the Nicaraguan Government to place Robert L. Vesco in custody for deportation or extradition to the United States if he arrives in the country. The Foreign Ministry has replied affirmatively to this request by the U.S. Government.

The story was confirmed by journalist Rafael Rojas, information and press chief of the Foreign Ministry.

BUDGET DIRECTOR COMMENTS ON BUDGET FOR 1979

PA010642Y Managua LA PRENSA in Spanish 26 Oct 78 p 10 PA

[Text] General Budget Director Roberto Sequeira told LA PRENSA today that the central government does not want to make unrealistic estimates and therefore, even though studies have not been concluded, it can be anticipated that the amount of the 1979 general spending budget will be similar to this year.

The foregoing confirms that statements by other officials to the effect that the new budget would be larger were too optimistic. The new budget will amount to approximately that of 1978--that is, 3.578 billion cordobas.

However, Sequeira added that since studies are still underway, he could only discuss prospects and possible projections of the 1979 budget. He noted that a clear-cut frame of reference already exists to determine that next year's overall allocations will be very similar to those of 1978.

He said it is estimated that there can be no major changes in the 1979 general budget since this year's well-known incidents affected tax collection and had a negative effect on the overall state of our economy--all coupled with a massive capital drain, we might add.

Continuing his statements, our interviewee said that work related to the reconstruction of the cities which were severely damaged during the armed insurrection in September--including Masaya, Leon, Chinandega and Esteli--will be given priority in next year's investment programs.

He also noted that the reconstruction and immediate action program [Programa de Reconstruccion y Accion Inmediata--PRAI] will also be given priority in 1979 because actual construction work will begin. It was devoted this year solely to infrastructure work which cannot be readily appreciated.

The PRAI's works include four district subcenters in Las Americas and San Judas and the eastern and western subcenters in Managua.

This part of the work also includes the national health compound, where all agencies in that sector will be integrated.

He added that all these PRAI programs will require more than 100 million cordobas next year. This is expected to stimulate the construction industry and employment in this field of endeavor.

As far as foreign financing, the budget director said it will remain at the 1978 level. In other words, it will total approximately 700 million cordobas.

It is expected that since the grace period of some foreign loans will expire next year, servicing of the foreign debt will increase. It will exceed 700 million.

LEADING RICE HARVEST DISTRICTS REPORTED

FL010056Y Havana Domestic Service in Spanish 0000 GMT 1 Nov 78 FL

[Text] The present spring rice campaign is yielding a national average of 948 quintales per caballeria. This figure has been achieved in the 2,747 caballerias harvested in the country up to 20 October, according to a report by Guillermo Triana, vice minister of non-sugarcane agriculture, who made the opening remarks at the 10th national technical meeting on rice which has been meeting since yesterday at the agricultural-livestock fair theater in Rancho Boyeros.

In this achievement Camaguey Province has been the vanguard with an average yield of 1,099 quintales per caballerias in the 339 caballerias harvested. It is followed by Pinar del Rio Province with an average of 1,022 quintales per caballeria in the 1,094 caballerias harvested.

USSR CHEMICAL INDUSTRY MINISTER TOURS CAMAGUEY FACILITY

FL310213Y Havana Domestic Television Service in Spanish 0100 GMT 31 Oct 78 FL

[Text] Leonid Arkadyevich Kostandov, member of the CPSU Central Committee and minister of chemical industry, has toured the installations of the October revolution fertilizer enterprise in Nuevitas [Camaguey Province]. The Soviet leader was accompanied by Cuban Minister of Chemical Industry Antonio Esquivel and by the party first secretary in Nuevitas, Rigoberto Fernandez. On his arrival at the huge manufacturing complex Arkadyevich was received by the Cuban workers collective.

During his tour the Soviet minister was interested in the features of the Cuban chemical industry and the prospects of expanding the Nuevitas enterprise. After his tour a meeting was held in the auditorium of the enterprise at which the manager of the complex, Marcos Portal, discussed Soviet aid. Lastly, Arkadyevich spoke to those present, emphasizing the work done by the workers of the enterprise.

LEVI FARAH RECEIVES IRAQI CONSTRUCTION DELEGATION

FL010032Y Havana Domestic Service in Spanish 0000 GMT 1 Nov 78 FL

[Text] Levi Farah, minister president of the State Committee for Construction, received in this capital a delegation from the Republic of Iraq which is headed by Qasim al-'Uraybi, vice minister of industry and minerals. During the meeting which took place in a fraternal atmosphere the two sides recounted the development of the construction industry in their respective countries and discussed possibilities of cooperation in this area. Afterwards, Levi Farah invited the Iraqi vice minister and his entourage to tour some of the prefabrication projects and other installations.

EUGENICS, ARTIFICIAL INSEMINATION SEMINAR BEGINS

FL311225Y Havana Domestic Service in Spanish 1200 GMT 31 Oct 78 FL

[Text] A seminar on genetic inprovement and artificial insemination began yesterday at the Atlantico Hotel in Santa Maria del Mar, sponsored by the UN Food and Agriculture Organization and the Swedish International Development Agency. Hermenegildo Curbelo Morales, president of the organizing committee, welcomed the participants and noted that our people are honored by the selection of Cuba as the site for that important meeting.

The seminar's opening remarks were made by (Guisha Pond), FAO representative in Cuba. Nearly 50 technicians and specialists on cattle industry development will conduct exchange of experiences, representing the 17 countries participating in the seminar.

CIENFUEGOS MILITARY VOCATIONAL SCHOOL OPENED

FL301914Y Havana Domestic Television Service in Spanish 1800 GMT 30 Oct 78 FL

[Text] Vice Adm Aldo Santamaria Cuadrado, member of the PCC Central Committee and vice minister-chief of the revolutionary navy, has opened the Camilo Cienfuegos Military Vocational School at Cienfuegos' revolutionary navy base. The youths attending this school are students from intermediate level schools who may continue studies at naval academies to train as navy cadres.

MALMIERCA PEOLI MEETS COUNTERPART IN PARIS

FL312322Y Havana Domestic Service in Spanish 2230 GMT 31 Oct 78 FL

[Text] Paris--Foreign Minister Isidoro Malmierca Peoli of Cuba and Louis de Guiringaud of France met today to discuss various bilateral and international topics. The talks were held this afternoon at the Quay d'Orsay and were attended by French Secretary of State for Foreign Affairs Pierre Bernard-Reymond and Cuban Ambassador to France Gregorio Ortega.

Minister Malmierca has been in the French capital since yesterday, in transit. Tomorrow he will leave for the Republic of Madagascar.

EDUCATION AGREEMENT SIGNED WITH GDR

FL311604Y Havana Domestic Service in Spanish 1503 GMT 31 Oct 78 FL

[Text] Kurt Hager, member of the Politburo and Secretariat of the Socialist Unity Party of Germany, today received Fernando Vecino Alegret, member of the PCC Central Committee and minister of higher education. The two leaders exchanged viewpoints on the development of higher education in Cuba and the GDR.

Hager explained to Vecino Alegret and the delegation accompanying him various aspects dealing with the ongoing emulation movement on the occasion of the 30th anniversary of the GDR. The Cuban and German leaders also signed a bilateral cooperation agreement which will be in effect until 1980. The document provides for the exchange of students and professors as well as experiences gained in Cuba and the GDR in teaching Marxism-Leninism.

CENTRAL COMMITTEE MEMBER MEETS WITH BELGIAN SOCIALIST

FL311733Y Havana Domestic Service in Spanish 1240 GMT 31 Oct 78 FL

[Text] Brussels--PCC Central Committee member Jaime Crombet has met with Andre Cools, president of the Belgian Socialist Party.

BRIEFS

TV ANNOUNCER IN PRAGUE--The PRENSA LATINA news agency has interviewed Comrade Manolo Ortega in the Czechoslovak capital. He is a national work hero and an announcer for this television news program who is presently working on Radio Prague International, fulfilling a new task assigned him by the revolution. [Excerpt] [Havana Domestic Television Service in Spanish 1800 GMT 28 Oct 78 FL]

BARBADOS

INCREASE IN NATIONAL DEBT REPORTED BY CENTRAL BANK

FL301510Y Bridgetown ADVOCATE-NEWS in English 27 Oct 78 p 1 FL

[Text] Barbados' national debt at the end of August this year was BDS$364.7 million, or about BDS$60 million more than the figure a year ago. This was revealed by the Barbados Central Bank's economic and financial statistics report for this month.

The national debt was made up of a domestic debt of BDS$296.7 and a foreign debt of BDS$68 million. The foreign debt was $12.9 million more than at the end of last year and $19 million more than in last August. The foreign debt is made up of $1.5 million to the United Kingdom, $19.3 million to the Euro-dollar area, $21.7 million to Canada and $25.5 to other areas.

The domestic debt is $41 million more than in last August, when the figure was $25.5 million. It is made up of $152.3 in short-term loans and $144.4 million in long-term loans. However, it was only $17 million more than in December.

Barbados' reserves with monetary authorities by the end of August were $104.2 million, of which $84.3 million was with the Central Bank, $2.9 million with government and $17 million with what is called sinking funds for domestic debt. This fund is set aside for the redemption of domestic debts and invested in foreign securities. These reserves are available for balance of payments purposes since the redemption of domestic debt does not require the use of foreign exchange. The reserves with the monetary authorities were $30 million more than at the end of last year and $ [amount indistinct] million over the figure for last August. In December the figure was $74 million and it rose to $112.5 million in April and fell back to $98.6 million in July. By August foreign assets were $20.2 million and foreign liabilities $44.7 million.

The total banking system had a net reserve of $79.7 million and other public bodies $1.8, giving a total of $81.5 million.

GUYANA

PRIME MINISTER SEEKS IMF AID TO SOLVE ECONOMIC CRISIS

PA290407Y Paris AFP in Spanish 0227 GMT 29 Oct 78 PA

[Text] Georgetown, 28 Oct (AFP)--Prime Minister Forbes Burnham today said that the Guyanese Government requested financial aid from the International Monetary Fund (IMF) due to the absence of Soviet aid in correcting its balance of payments.

In a speech to the 13th conference to the union of workers of Guyana, the oldest Guyanese union, Burnham referred to the country's $75 million deficit and the causes of the economic crisis.

"The international economic order is dominated by the industrialized countries and manipulated by a few wealthy countries. Under these conditions there are no friends, but only organizations with which developing countries such as Guyana must negotiate," Burnham said without mentioning any country. Alluding to proposals by Cheddi Jagan, an opposition leader and former pro-Soviet prime minister, he added: "Some people say that the government should seek aid in the socialist countries, but those countries have their own problems. In the case of the Soviet Union, it has not offered us financial assistance that we need to correct our balance of payments. Under these circumstances, the government negotiated an IMF loan that requires the establishment of some limitations within which the country's economy will operate," the prime minister said.